



October 15, 2014

Item No. 7

AUTHORIZATION FOR THE CHIEF EXECUTIVE OFFICER TO EXECUTE A HOUSING ASSISTANCE PAYMENTS CONTRACT UNDER THE SECOND COMPONENT OF THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT RENTAL ASSISTANCE DEMONSTRATION PROGRAM FOR MERRILL COURT APARTMENTS

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners (Board) approve the attached Resolution authorizing the Chief Executive Officer (CEO) to 1) execute a Housing Assistance Payments (HAP) contract under the second component of the United States Department of Housing and Urban Development (HUD) Rental Assistance Demonstration program and 2) execute all other documents as maybe necessary or appropriate to implement the foregoing.

CORPORATE GOAL

The proposed contract supports Plan Forward Goal #1: coordinating public and private investment to develop healthy, vibrant communities.

This contract will result in more affordable housing opportunities for families by providing Property Rental Assistance (PRA) under the second component of the RAD program for up to 40 apartments as detailed below.

FUNDING: HUD Rental Assistance Demonstration Program (RAD) (Second Component)

PROPERTY SUMMARY

Development Name	Community / Ward / Alderman	Developer / Owner	Target Population	RAD PRA Units	Total Units
Merrill Court Apartments	South Shore/5 th Ward/ Leslie Hairston	The Community Builders	Families	up to 40	40

CONTRACT SUMMARY

Development Name	Funding	Contract Term	Contract Type	Initial Estimated Contract	Total Estimated Contract	Application Received
Merrill Court Apartments	RAD Program (Second Component)	15 Years	HAP Contract	\$395,472 per year	\$6,839,062	September 2014

Initial contract rents will be determined by market comparables and fair market rents applicable at the time the HAP contract is executed. All rent determinations will comply with federal regulations and Chicago Housing Authority (CHA) policy.

Proposed Development: Merrill Court Apartments

- Existing, occupied 4-story building containing 18 one-bedroom and 22 two-bedroom apartments in the South Shore community area. The property was rehabbed in 2012.
- The developer intends to submit an application to HUD for the second component of the RAD program to convert the existing Moderate Rehabilitation Program (Mod Rehab) contract to a long-term RAD PRA contract for all units.
- HUD approval of the requested RAD conversion will require that a public housing authority administer the resulting HAP contract. Developer has requested that CHA serve as the administrator for these new vouchers; the HAP contract would only be for the number of units approved by HUD.
- Building amenities include secured entries, laundry facilities, on-site management, storage and a private interior courtyard.

Developer Background

- The Community Builders (TCB), a national affordable and mixed-income housing developer, was established in 1964. They currently own and operate over 10,000 units in 320 developments in 14 states and Washington D.C. including Oakwood Shores in Chicago.
- TCB has extensive knowledge and experience working with a broad range of financing sources including HOPE IV, Choice Neighborhoods, Low Income Housing Tax Credits, HOME funds and Neighborhood Stabilization Program funds.
- TCB will also manage the property.

Waiting List /Occupancy Process

The building is currently occupied. With the exception of one unit for an onsite staff member, at turnover, it is the intent of the owner/manager of Merrill Court Apartments to lease all of the PRA-RAD assisted units to eligible families from CHA's waiting lists. CHA will refer working families from the Public Housing and PRA waiting lists as well as families whose right of return under the Relocation Rights Contract has not been satisfied. The CHA waiting lists will be exhausted prior to utilization of a site-based waiting list.

Conclusion

The Board action recommended in this item complies in all material respects with all applicable CHA Board policies and all applicable federal procurement laws.

The Chief Housing Officer concurs with the recommendation to authorize CHA to execute a Housing Assistance Payments contract under the second component of HUD's RAD program for Merrill Court Apartments.

The Chief Executive Officer/President recommends the approval to authorize CHA to execute a Housing Assistance Payments contract under the second component of HUD's RAD program for Merrill Court Apartments.

RESOLUTION 2014-CHA-104

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated October 15, 2014 requesting authorization execute a Housing Assistance Payments contract under the second component of the United States Department of Housing and Urban Development Rental Assistance Demonstration program for Merrill Court Apartments;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to authorize CHA to execute a Housing Assistance Payments contract under the second component of the United States Department of Housing and Urban Development Rental Assistance Demonstration program for Merrill Court Apartments.



Chicago Housing Authority
60 E. Van Buren
Chicago, IL 60605

312-742-8500

www.thecha.org